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MONTANA CULTURAL SURVEY '82

MONTANA ARTS COUNCIL
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THE COUNCIL AND ITS SERVICES

Established in 1967 as an agency of state government, the Montana Arts Council encourages the expansion of opportunities for all Montanans to create, participate in and appreciate the wide range of all the arts regardless of age, sex, ethnic origin, income, physical ability or place of residence. The Council strives to instill in Montanans the realization that the arts and creativity are a natural resource which must be preserved and promoted to advance our cultural legacy.

The Council extends resources and services to communities, organizations and individuals to stimulate and strengthen quality arts programming throughout the state by: providing financial assistance, through a competitive granting process, to support arts events, organizations and networks; delivering technical assistance in response to identified needs; coordinating support systems and making available touring opportunities for the maximum benefit of Montana audiences; facilitating arts experiences with professional artists for as many students in Montana's schools as possible; identifying, documenting and presenting aspects of Montana folklife; fostering the documentation of Montana's arts endeavors in both visual and written forms; serving constituencies with special needs. Within limited available resources, the Council also initiates research, planning, evaluation and dissemination projects in the best interests of the consumers and producers of the arts in Montana.

COUNCIL MEMBERS

The Council is composed of fifteen private citizens who are appointed by the Governor and who serve without pay. The Council meets four times a year to develop policy and to make final decisions on applications for funding.

Jessica Stickney, Chair (Miles City)
Sue Talbot, Vice-chair (Missoula)
Ceridwen Breen (Missoula)
Robert Cavanaugh (Kalispell)
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William Pratt, Community Arts Coordinator
Artists-in-the-Schools/Communities Coordinator
Kathy Burt and Jenda Cummings, Support Staff

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MONTANA ARTS COUNCIL

TED SCHWINDEN, GOVERNOR

1280 S. 3RD WEST

STATE OF MONTANA

(406) 543-8286

MISSOULA, MONTANA 59801

January 3, 1984

Dear Friend of the Arts:

We are pleased to provide you with a copy of our recently completed Montana Cultural Survey. It represents cooperation from all segments of our cultural community including libraries, arts and historical museums, public and private schools, colleges, universities, and arts organizations from across the state.

This report documents, in part, the impressive growth experienced by Montana's "cultural sector" during the last fifteen years--a previous study having occurred in 1967. There currently exist almost 1,000 organizations which provide arts and humanities programming and services. With revenues of $40.8 million dollars, the cultural sector is an element of Montana's economy which has been long overlooked. Funds spent directly by these organizations are amplified by the role they play in improving the quality of life and in attracting technology-based and highly skilled businesses and industries.

As in every other state, Montana's cultural organizations are supported by an essential mix of public grants and appropriations, private gifts and donations and earned income. While the full effect of the economic downturn of the 1980's is still to be felt, the survey indicates that expenditures may outstrip income by the end of the decade for many cultural organizations.

The Montana Cultural Survey emphasizes the importance of our state's cultural life and draws our attention to the need to reflect on its changing role in Montana. We hope that it will be useful to you in describing the current funding situation and a starting place to discuss the amounts and sources of funding necessary to meet the future needs of our state's cultural organizations.

We invite your comments.

Sincerely,

David E. Nelson
Executive Director

MONTANA CULTURAL SURVEY '82

COMPILED BY:

WILLIAM B. PRATT
Community Arts Coordinator

with the assistance of:

Kathy Burt
Jenda Cummings

MONTANA ARTS COUNCIL
1280 S. 3rd West
Missoula, MT 59801

December, 1983

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1. INTRODUCTION

The arts and cultural activities are a significant and growing part of the economy of Montana and are increasingly perceived by the citizens of our state as vital to our quality of life. The Montana Arts Council conducted the MONTANA CULTURAL SURVEY '82 to identify arts and cultural organizations, estimate the revenue generated, and assess their financial needs. This is the Montana Arts Council's first attempt at a census--the start of an ongoing information collection process about our state's cultural sector.

The cultural life of a community is a measure of its quality of life and vitality and is especially important where isolation, community tension, unemployment or population growth places stress upon the social fabric. Arts and cultural activities provide opportunities for growth and enjoyment--creating social settings for sharing common experiences. A community's cultural life also helps residents gain knowledge about their past, celebrate the present and plan for the future.

A major concern to Montanans is the economic development of our state. The cultural sector has an important place to play in helping Montanans earn a living. The 1980 U.S. census indicates that .83% of Montana's civilian labor force are artists. This represents an increase of 57% from the figures reported in the 1970 census--one which exceeds the national average (National Endowment for the Arts). Others earning a living in the cultural sector are librarians, administrators of historical museums and art centers, owners and employees of galleries and shops, and teachers who also pay taxes and purchase goods and services.

Our state's estimated 7,961 fairs, festivals, visual and performing arts and cultural events provide reasons for people to visit a community. Not only do they spend money on the event, but they also purchase food, lodging, gasoline and merchandise. We can assume that 10% of all tourists have an interest in participating in some form of the arts or cultural activity while on vacation.

The Montana Tourism Marketing Development Plan (Davidson-Peterson Associates, Inc., December 1980), estimates that 2,675,000 tourists visit our state each year. According to the Montana Promotion Bureau, the average tourist party consists of 3.2 persons, stays 4.9 days and spends approximately $72.00 per day.

If these visitors who are interested in seeking out cultural activities could be enticed to spend an extra day in Montana, the sales revenue realized would be $6,018,750. The Bureau of Economic Research at the University of Montana estimates that 20 percent of sales to tourists ends up as direct income to Montanans--the remaining 80 percent leaves the state in the form

of payments to wholesalers for film, food, gasoline and other items. The "multiplier" effect doubles the impact of the dollars which remain in the state--for a total increase in annual income of $2,407,500.

The cultural sector is not overlooked by executives charged with the responsibility for industry relocation or the establishment of branch plants or offices. In fact, high technology industries which employ professional and highly educated personnel can be expected to put a particular value on the cultural and educational life of communities in which they reside ("The Bottom Line", Massachusetts Council on the Arts and Humanities, 1983). It is precisely these clean industries which have great appeal to Montanans as we seek to strengthen and diversify our economic base (Boyer & Savageau, Places Rated Almanac , 1981; Cwi, The Role of the Arts in Urban Economic Development , 1980).

Montana's cultural sector has grown steadily during the recent past and there is increased pressure for services as communities become accustomed to having arts and cultural activities available. There are indications that expenditures may soon threaten to overwhelm income, and based on current requests versus funds available, even such a source as significant as the Coal Severance Surtax for "cultural and aesthetic projects " may prove insufficient to meet the demand for support of cultural programs and facility development.

The cultural sector will need to maximize income from currently available resources such as general fund appropriations, permissive mil levies or revenue sharing funds. In addition, new mechanisms such as endowments or community foundations will have to be created to tap individual, foundation and corporate sources. Based on current funding trends, organizations may have to act collaboratively in order to tap various sources such as the National Endowment for the Arts Challenge grants.

As Montana looks forward to 1989, our Centennial year, it is essential that accurate information is available to state, regional and local governmental agencies for planning future cultural development. We must know what level of support will be needed from state sources as well as the funding available from local government, private and business donations, earned income, foundation and federal grants. The Montana Cultural Survey '82 is an important first step in providing data not only to assess the current situation but also to project future needs and to develop strategies to meet them.

How well we meet the challenge of providing adequate revenue for the cultural sector will determine how we are served by those organizations during Montana's second hundred years.

2. SUMMARY OF FINDINGS

- In 1981 Montana's cultural organizations sponsored 7,961 cultural events which were attended by 6.4 million people.

- Montana's arts and cultural non-profit organizations, public agencies (schools, libraries, colleges and universities) and businesses (shops and galleries) are estimated to receive 40.8 million dollars in annual revenues for cultural programming.

- Montana's 481 non-profit arts and cultural organizations account for almost one-third of total revenues with half of these organizations having an annual income of under $5,000.

- While non-profit organizations earn a substantial part of their income, they must obtain private or public contributions to pay for half of their annual expenditures.

- Endowments or interest income generates only one-sixth of the income for Montana's non-profit cultural organizations. This represents half the legal limit and may be expanded to generate another 2 to 3 million dollars per year.

- Cultural organizations spend most of their money on program and very little on facilities. Public agencies are more likely to make capital expenditures than either non-profits or businesses.

- On the average, Montana's cultural businesses currently show a profit and some non-profits have operating reserves. However, most non-profits are barely breaking even or experiencing a deficit. The trend from FY81 to FY84 indicates that there will be a decreasing number which have reserves at the year's end and an increase in those who are "in the red."

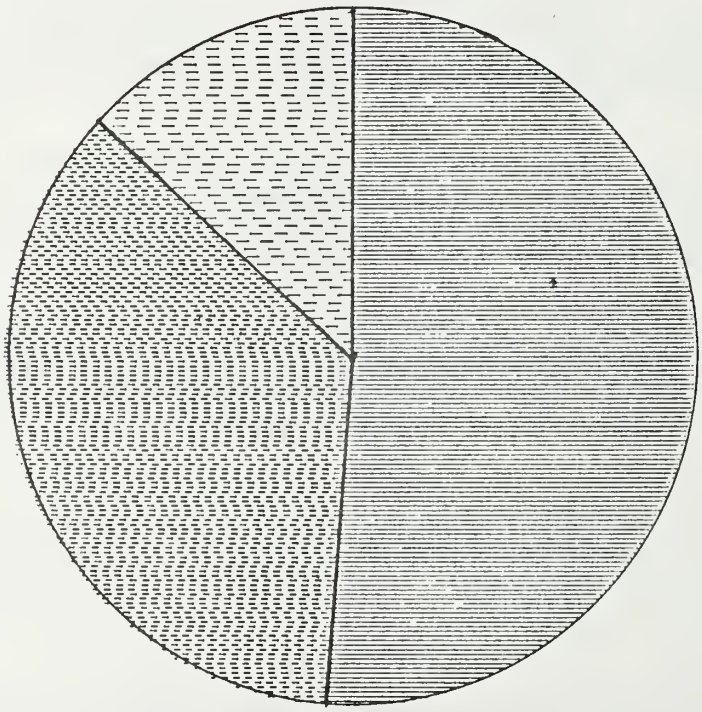
- Income for non-profits is predicted to level off between FY82 and FY84 while expenditures continue to increase. Inflation will cause expenditures to equal revenue in FY85-86. Many non-profits will be faced with raising more money, living off savings or cutting expenses and programs.

- Non-profit cultural organizations are projected to have a deficit of 3.8 million dollars in FY 90. However, increased county mil levy appropriations and interest from endowments may provide the necessary income.

3. The Survey

In the late summer and fall of 1982, questionnaires were mailed to 945 cultural (arts and humanities) organizations. The Montana Arts Council received an average response (31%) of returned questionnaires. Included were 150 non-profit groups (e.g. art centers, historical museums, fairs and festivals, performing groups), 18 privately owned galleries and shops and 108 public agencies such as schools, libraries, colleges and unversities.

CHART I- Montana Cultural Organizations



51 % - NON-PROFITS
36 % - AGENCIES
13 % - BUSINESSES

The Montana Arts Council used the Montana Cultural Survey '82 as an opportunity for organizations to report not only their individual needs but also to address county-wide concerns. County Superintendents of Schools were invited to host county cultural meetings. Their participation was encouraged by the Superintendent of Public Instruction and the Lieutenant Governor also informed county commissioners and mayors about the survey.

Approximately 15 county cultural committee meetings were conducted While most of these were limited to one or two sessions, a few counties are still meeting. Some discussed proposals to be submitted to the 1983 Legislature for funding from Coal Surtax Revenues for "cultural and aesthetic" projects. For example, the Cultural Alliance for Eastern Montana has been funded from this source to provide a resource coordinator to serve 19 eastern Montana counties. His/her primary responsibilty will be the further development of county cultural committees.

4. EVENTS AND AUDIENCES

In 1981, it is estimated that Montana's cultural organizations sponsored 7,961 cultural events. They were attended by 6,439,714 people. Non-profit organizations sponsored the majority (61%)--or 4,903 events for an audience of 2,939,055. The attendance at events sponsored by non-profits averaged 528 people per event, while public agencies drew 1,208 and private galleries and shops attracted 1,456.

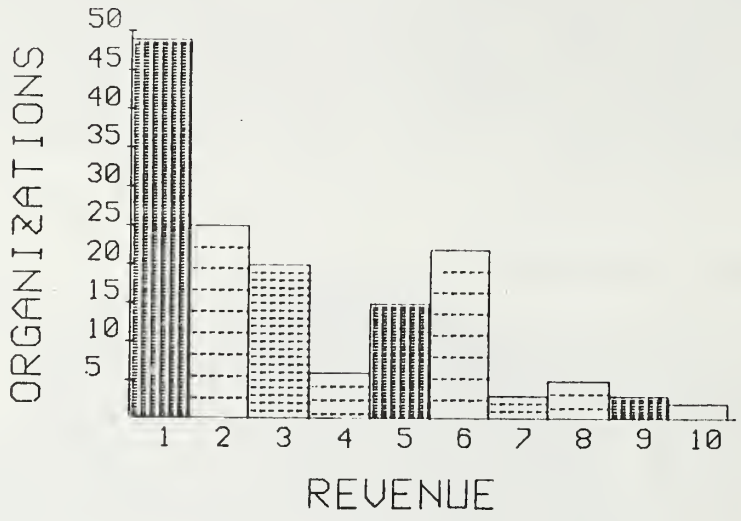
The number of events provided by cultural organizations is directly related to resources and thus is not only a measure of the level of programming available to the public but also of the cultural health of our state. For the purpose of this survey, an event is defined as the smallest unit of programming, i.e. one showing of a film, one performance of a play, or a visual arts exhibition.

Audience attendance is a measure of the response of the public to cultural offerings. It is an indication of how well the choice of material meets the needs of the community, the effectiveness of scheduling and promotional efforts, physical accessibility and the cost of the event. The accuracy of this indicator is dependent upon consistent record keeping. Ticket sales or admissions provide the most dependable figures. Often organizations must rely on door counts, tabulation of sign-in sheets or in some situations a "best guess" estimate.

5. REVENUE

Cultural organizations in Montana generate an estimated average annual revenue of $40,837,417. The majority --67 percent--was received by public agencies such as schools, libraries, colleges and universities. Non-profit organizations raised $12,470,325 (29%) and the remaining 3% was accounted for by private businesses.

CHART II- Distribution of Average Annual Revenue Received by Non-Profit Cultural Organizations



1 - $0 - $999
2 - $1,000 - $4,999
3 - $5,000 - $9,999
4 - $10,000 - $14,999
5 - $15,000 - $24,999
6 - $25,000 - $49,999
7 - $50,000 - $74,999
8 - $75,000 - $99,999
9 - $100,000 - $249,999
10 - $250,000 +

A. The Funding Mix

Cultural organizations receive financial support from a number of sources. These are:

(1) earned income from ticket sales, subscriptions, or workshop fees

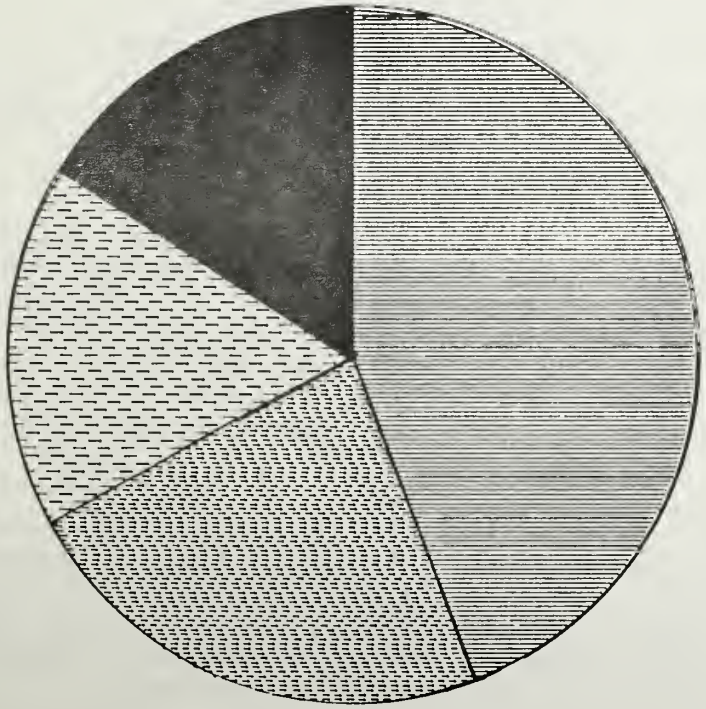
(2) private contributions from businesses, foundations and individuals

(3) government grants and annual support from local, state/regional and the federal government

(4) other income such as from interest, bequests or endowments.

Non-profit organizations exhibit a more diversified funding mix than either public agencies or businesses which are primarily dependent upon government appropriations or sales. A comparison was made to revenue figures from 12 other states and a metropolitan area. While Montana's cultural non-profits experienced equivalent percentages from earned income (44%) and government sources (23%), they are substantially behind in private contributions which make up only one-sixth of non-profit annual income. "Other" income such as the interest from investments or endowments yield an additional one-sixth of non-profit income. This is substantially higher than that received by the other states surveyed. Examination of revenue source figures from FY81 to FY84 does not reveal any trends which would substantially alter these percentages.

CHART III- Sources of Revenue for Non-Profits



44 % - EARNED INCOME
23 % - GOVERNMENT
17 % - PRIVATE CONTRIBUTIONS
16 % - OTHER

B. Governmental Funding

Government funding of cultural activities in the U.S.A. is a relatively recent phenomenon. It wasn't until the Great Depression of the 1930s that the Federal government initiated a Public Works of Art program and only in 1965 were the National Endowments for the Arts and the National Endowment for the Humanities formed. In the last two decades there has been an upsurge in the creation of state and local arts agencies and humanities committees.

President Reagan's Task Force on the Arts and Humanities recently emphasized the continuing need for public support which helps to:

(1) preserve and advance our pluralistic cultural and intellectual heritage,

(2) encourage creativity,

(3) stimulate the quality of education,

(4) enhance our general well-being, and

(5) stimulate diverse private and public support which provides flexibility for cultural institutions and individuals.

In Montana, county mil levy support for historical museums and libraries predates the establishment of the Montana Arts Council (1967) by many years. And it wasn't until 1983 that the appropriation of coal tax revenues for "cultural and aesthetic" projects moved Montana from the bottom to an average place in state per capita funding for the arts.

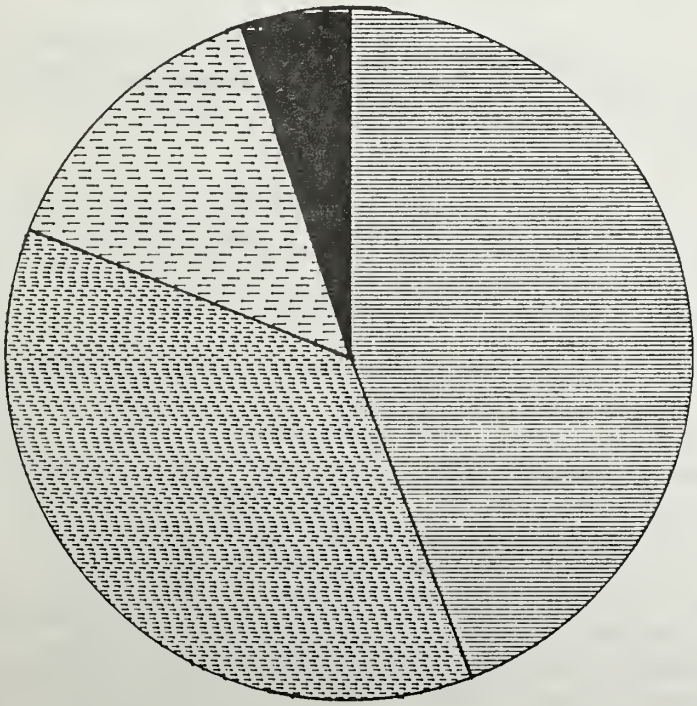
Government support for all cultural organizations in Montana is estimated to be an annual average of $25,200,213. Of this only 2.8 million dollars or 11% is received by non-profit organizations the balance being used to fund publicly supported agencies such as schools and libraries.

Montana's cultural organizations received a total of $5,941,231 in Federal grants. Only $392,798 was received by non-profits.

Funds from state sources total $6,177,778. Of this, 1.3 million dollars or 20% goes to non-profit organizations. During FY 84 and FY 85, the Montana Legislature appropriated $400,000 per year from the interest earned by the Coal Severance Surtax for "cultural and aesthetic projects." These funds have been used since 1976 to help fund a variety of programs and facilities sponsored by public agencies and non-profit organizations. Requests have increased 373% since the 1981 Legislative session. Currently, the fund had been asked to support projects totaling 3.5 million dollars, but was able to meet less than one-quarter of those requests.

Montana counties contributed $1,048,321 to cultural organizations. Of this amount, $739,661 in FY 83 came from county permissive mil levies.

CHART IV- Sources of Governmental Revenue for Non-Profits



Historical museums and art centers in 18 Montana counties receive this support. Currently, only 12.4 mils of this fund are being used--the legal limit is 112 mils which has the potential of providing an additional 4 million dollars.

Cities in Montana contributed $4,530,734 annually to cultural organizations with only $128,028 going to non-profits.

In summary, non-profit cultural organizations received 2.8 million dollars or 23% of their support from public sources as follows:

Federal	$	392,798	3.1%
State		1,258,142	10.1
County		1,048,321	8.4
City		128,028	1.0
TOTAL	$	2,827,289	22.6%

C. Private Contributions

Individuals, businesses and corporations gave $2,913,250 to Montana's cultural organizations, with almost three-quarters of the total going to non-profits.

While Montana is estimated to be above the national average in revenue received from earned income, government and "other" sources, revenue from private sources was substantially lower.

Individuals in our state's communities support cultural institutions through memberships and donations, but business and corporate support has always been problematic. The lack of corporate executive offices, major urban areas and cultural organizations of national reputation have not proproduced a climate conducive for substantial corporate funding. In addition, there has not been a concerted effort by cultural organizations to tap this source as has been done in other states through business committees for the arts or united fund drives.

Recently, there have been indications that the corporate funding picture may brighten since both the Burlington Northern Foundation and the First Bank System have substantially increased their giving to cultural organizations in Montana.

According to the Foundation Center (New York City, NY), a national resource for funding information, 3.15 billion dollars or 5.2% of all philanthropic giving in the United States was contributed by foundations during 1981. During that year, 208.7 million dollars was granted nationally to cultural activities.

The National Foundations Database-1983 lists 50 foundations in Montana. During 1982, these foundations had assets of 16.2 million dollars and awarded $831,399 in grants. This is a 13.3 % increase in giving from 1979 but represents less than .01% of total foundation contributions in the United States. Montana rated 43rd in foundation giving in 1979. (Foundation Fundamentals, 1980) Currently, Montana does not have a major foundation which has the sole purpose of supporting our state's non-profit organizations.

D. Other Income

Income from "other" sources which included bequests, endowments and interest payments totaled $3,119,410 for all of Montana's cultural organizations. Non-profits received almost 70 percent of this income.

A non-profit organization may receive up to one-third of its income from interest income. As "other" income only comprises one-sixth of non-profit revenue, it is estimated that an additional two to three million dollars could legally be raised by the cultural sector.

In order to maximize interest income, non-profits often keep temporary cash assets from non-governmental sources in short term certificates of deposit or money market funds. Endowments, however, provide an effective way for an organization to receive bequests which can be invested in financial instruments with higher rates of return and thus generate consistent, long term operating support.

Although not a focus of this survey, informal discussions with non-profit organizations indicates that only the larger institutions have created endowments and even those may be too new to produce significant income.

E. Support of Musuems

Survey responses from 28 Montana historical museums and art centers were compared to a national survey of 4,609 museums conducted by the Institute of Museum studies in 1977.

Montana's museums and art centers earned less of their income and are not as dependent on Federal grants as the national sample. Support from private sources is about the same for both. Montana's historical museums are more heavily state supported than the national sample and local sources of revenue rank higher for our art centers and museums. Montana's historical museums receive significantly more income from "other" sources than does the national sample. Our art museums, on the other hand, obtain less income from "other sources"--a percentage which equals the national average.

CHART V- Comparison of Revenue Sources of Museums

	Sample	Earned	Private	Federal	State	Local	Other	Total
Montana Cultural Survey '82								
-Art	19	32%	17%	2%	7%	33%	9%	100%
-Other	9	35%	8%	2%	20%	2%	33%	100%
* Montana sample includes museums and art centers								
Institute of Museum Studies: Museum Program Survey '77								
-Art	624	48%	16%	8%	5%	14%	8%	99%
-Other	3,985	40%	10%	16%	14%	18%	3%	101%

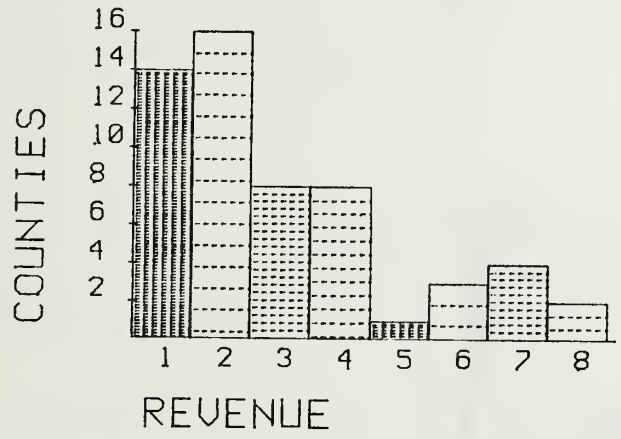
F. County Revenue

Cultural organizations in forty two Montana counties reported receiving income. The average annual revenue per county is estimated to be $972,319. Per county reported income ranges from $1,346 per year to $8,327,751 annually. Approximately half of Montana's 56 counties have more than $50,000 in annual cultural revenue.

The six urban counties (Cascade, Lewis and Clark, Gallatin, Missoula, Silver Bow and Yellowstone) accounted for 65% of the total reported revenue and 76% of the non profit revenue. These counties make up half of Montana's population. It is important to note that urban areas--especially those with unversities and colleges-- are export-

ers of cultural activities. Thus, while revenue might be accrued by organizations in urban areas, it is often used to provide cultural opportunities to other parts of the state.

CHART VI- Distribution of Annual Revenue for All Cultural Organizations by County



1 - NOT REPORTING
2 - $1 - $50,000
3 - $50,000 - $250,000
4 - $250,000 - $500,000
5 - $500,000 - $1,000,000
6 - $1,000,000 - $2,000,000
7 - $2,000,000 - $5,000,000
8 - $5,000,000 AND ABOVE

G. Institutional Revenue

Montana's historical museums, galleries and art centers receive average annual revenue of $3,517,753 or 21% of the total. Facilities operated by non-profit organizations account for almost seventy-five percent of this total which equals half of non-profit revenues.

Performing groups receive $1,403,497 and comprise 8% of the total revenue and almost one-quarter of non-profit income.

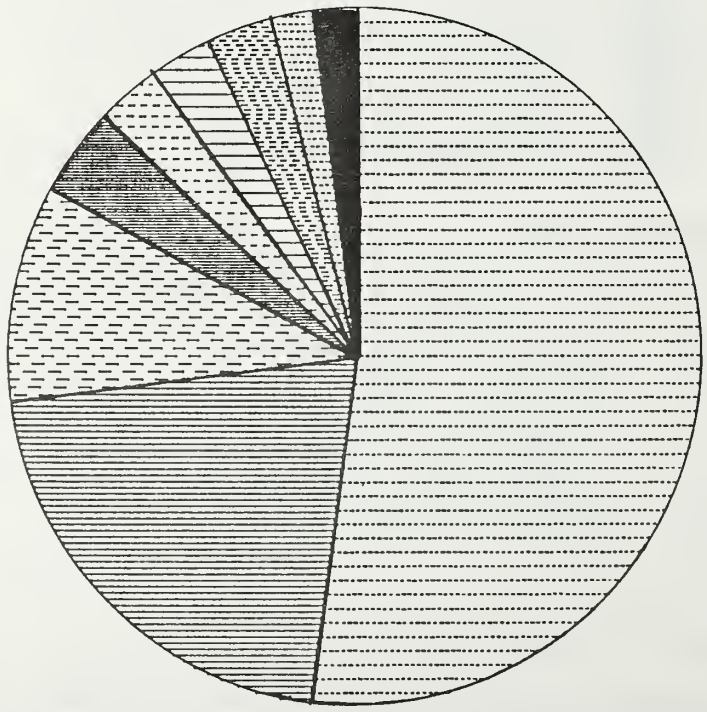
Community service organizations which include community performing art sponsors receive $537,454 or 3% of the total revenue. They account for 10% of non-profit income.

Fairs and festivals, arts service organizations, unions and professional associations which include art guilds adds another $407,736 or 3% of the total and 9% of non-profit reveue.

Historical societies receive $293,005 and represent 2% of the total revenue and 3% of non-profit income.

Cultural media (radio, TV and periodicals) contributes $376,118 or 2% of the total and 3% of non-profit income.

CHART VII- Annual Revenue of Non-Profit Cultural Organizations by Type



52 % MUSEUMS, GALLERIES, ART CNTRS
21 % PERFORMING GROUPS
10 % COMMUNITY SERVICE ORG.
4 % UNIONS & PROFESSIONAL ASSOC.
3 % ART SERVICE ORGANIZATIONS
3 % HISTORICAL SOCIETIES
3 % MEDIA (RADIO & TV)
2 % FAIRS & FESTIVALS
2 % OTHER

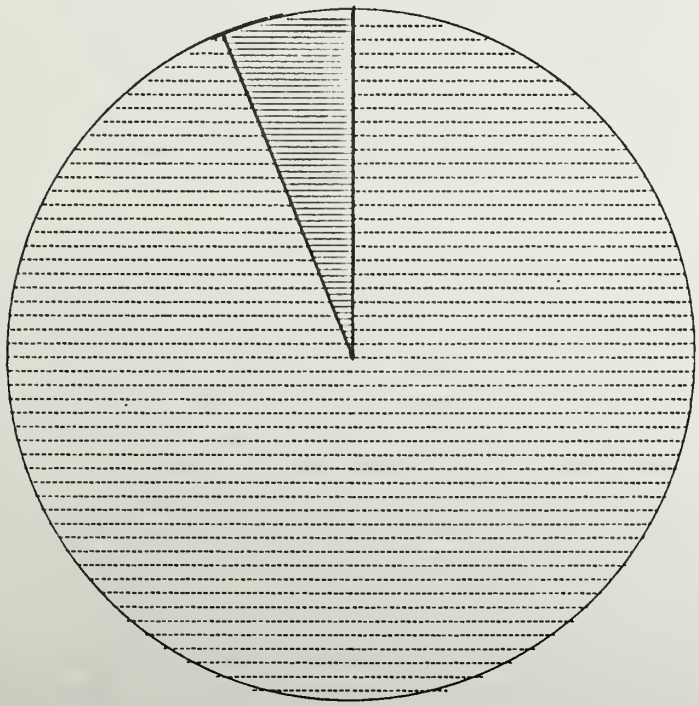
6. EXPENDITURES

Montana's cultural organizations are estimated to have annual expenditures of $39,145,019. Public agencies spent 69% of total expenditures, with non-profits accounting for 28%. Businesses are estimated to spend 1.1 million dollars annually.

Of the total, 89% is spent on program, administration and acquisitions with the remaining 4.2 million dollars budgeted for capital expenditures, e.g. facility construction and renovation. Non-profits and businesses use 6% of their expenditures for facilities while public agencies spend 13%.

Capital expenditures by non-profits jumped 500% from FY 81 to FY 83 and are projected to decrease by one-third in FY 84. Agencies maintained a fairly constant 13% annual increase for capital expenditures over the four years. Businesses anticipated a decreasing trend of capital spending from FY 81 to FY 84.

CHART VIII- Expenditures of Non-Profit Cultural Organizations



A. Reserves and Deficits

One measure of the financial health of an organization is the extent of the reserves or deficit it anticipates. While Montana's cultural businesses and public agencies appear to be holding their own, a majority of non-profit cultural organizations are either barely breaking even or experiencing a deficit. There is a small but definite trend which suggests that this number will increase.

The average annual reserves of all cultural organizations is estimated to be $1,728,397 with non-profits accounting for three-quarters of the total. Businesses retain 15% of their income with non-profits having operating reserves of 10%. Public agencies exhibited negligible annual reserves --most likely a result of "carry over" from funding source fiscal year differences.

Public agencies had an average annual surplus of $840 with non-profits anticipating $2,601 per year. Businesses had an average annual profit of $1,534.

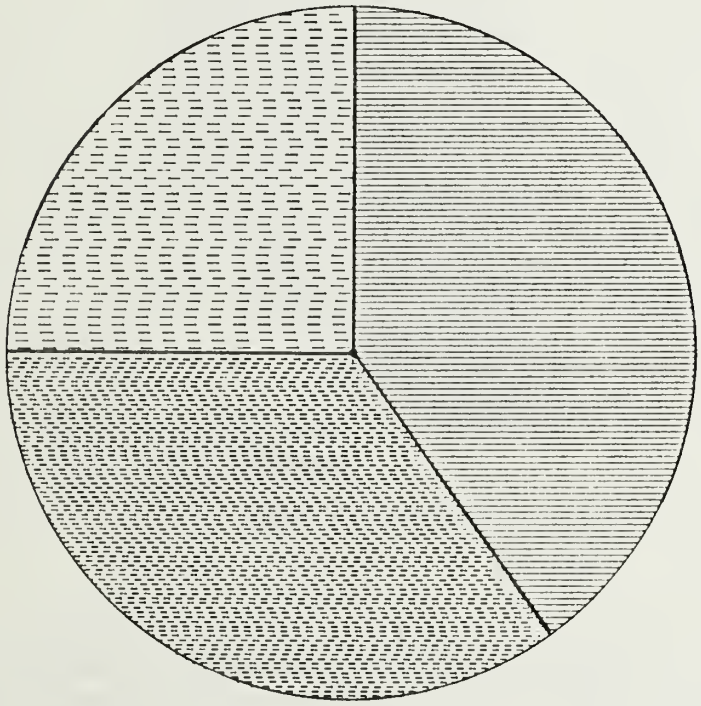
Non-profits as a whole exhibited annual reserves, but closer examination reveals that 35% are barely breaking even and 25% are experiencing deficits. The trend from FY81 to FY84 indicates an 8% increase in organizations with deficits and a 6% decrease in those with reserves.

Reserve income functions differently in each type of organization. While the main objective of business is to maximize profits, public agencies attempt to balance revenue and expenditures. Any reserve exhibited by agencies is primarily reflective of "carry over" funds created by funding source fiscal year differences. Unlike businesses and non-profits which weather inflation through increased prices, fundraising activities or accumuated reserves, agencies are dependent upon yearly appropriations to maintain current programming levels.

Non-profit organizations combine some of the characteristics of agencies and businesses. They serve a public function, but in most cases do not have an on-going commitment of government support. In many ways, non-profits function like a business although reserves do not accrue to any individual

in the organization. Current non-profit management practice encourages their boards of directors to earmark reserves for future contingencies. For example, the board may establish a building fund, create an endowment or allocate funds for operating expenses.

CHART IX- Percentage of Non-Profits having a Reserve, a Deficit or Breaking Even

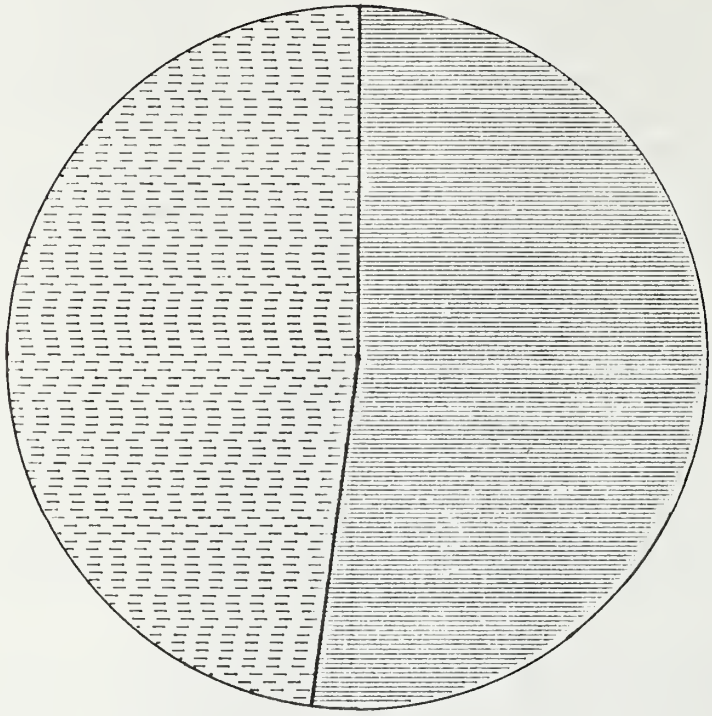


40 % - SURPLUS
35 % - BREAKEVEN
25 % - DEFICIT

B. The Earnings Gap

Revenue for non-profit cultural organizations are of two main types--earned income and contributed revenue. Contributed income is the bridge across what is called the "earnings gap"--the difference between total expenditures and earned income. While Montana's non-profit cultural organizations earned a healthy 44% of their annual revenue, they do not anticipate significant growth in this revenue source. Therefore, contributed revenue must be available to maintain current programs and to keep them within financial reach of Montana's citizens.

CHART X- Percentage of Earned and Contributed Revenue for Non-Profit Organizations



52 % - CONTRIBUTED AND OTHER
48 % - EARNED

Non-profit organizations anticipate that the amount of contributed and interest income necessary to "fill the gap" will grow from 48% of expenditures in FY 81 to 53% in FY 84. Currently, the average annual earnings gap for Montana's cultural non-profits is estimated to be $5,435,822 or 52% of annual expenditures.

7. Revenue and Expenditure Projections

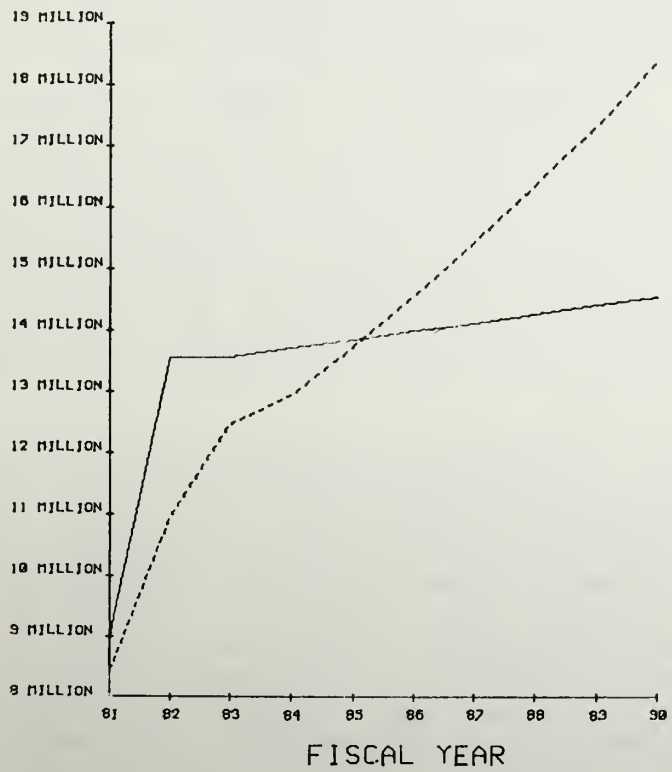
Using the income, expenditure and estimated growth rate data from the survey, projections can be made into the second half of this decade. Businesses and public agencies will continue to maintain an annual reserve, but for non-profits, expenditures may begin to outstrip income in 1986. As demand continues to increase for cultural services, available financial resources will be asked to contribute more and additional sources of income may need to be developed.

Business income is growing at a rate greater than expenditures, and therefore they will continue to experience a profit through 1990.

The income and expenditure of Montana's public agencies are both increasing at a rate of 2% per year and thus their year end reserves are estimated to grow from $555,000 in FY 85 to $750,000 in FY 90.

Non-profit cultural organizations experienced a 51% increase in revenue between FY81 and FY82. This was most likely because of an influx of money from the Coal Tax fund for "cultural and aesthetic projects", the infusion of new sources of corporate donations, the expansion of existing organizations or the creation of new ones. However, projected income is estimated to level off between FY82 and FY84. Expenditures which increased 31% between FY81 and FY82 are projected to be only 4% more in FY84 than in FY83. If expenditures continue to grow at a rate necessary to maintain current level programming--perhaps 6%-- they will equal revenue in FY 86. In 1990, the resulting deficit is projected to be 3.8 million dollars.

CHART XI- Projections of Annual Revenue and Expenditures for Non-Profit Organizations



With 60% of non-profit organizations barely breaking even or experiencing a deficit, important management decisions will need to be made. For those which have been able to accumulate reserves an immediate fiscal crisis can be forestalled by "living off savings." For those without reserves, new sources of income will need to be found or programming cut back. Perhaps a mix of all three approaches will be used by Montana's non-profit cultural organizations as they attempt to balance community need, sources of revenue and rising costs.

While Montana has experienced a growth in the cultural sector during the 1970s and early 1980s, it is apparent that even with the influx of Coal Tax revenues, this growth is beginning to outstrip available resources. State and Federal appropriations for arts and cultural organizations are not projected to increase significantly. While the initial prognosis looks somewhat bleak, there is an opportunity to more than match the projected deficit. The answer for increasing revenue lies in a number of avenues.

County permissive mil levy appropriations for historical museums and art centers exist in 18 counties, but only total 12.4 mils or $784,387. The legal limit for the entire state is 112 mils and thus may potentially provide local support of 4 million dollars. As the legislature begins to require local governmental match for Coal Tax grants, the county mil levy will begin to become increasingly important.

The establishment of endowments or a community foundation can provide another source of income for the cultural sector by tapping bequests from members and supporters. Historically, this money has often gone outside of the state. However, as our oranizations mature and become a significant and valued part of community life, the likelihood for these donations will increase. An estimated 2 to 3 million dollars could currently be legally absorbed by non-profit cultural organizations and prudent non-profits will explore this "untapped" revenue.

Funding sources on a regional and national level are becoming increasingly interested in supporting coalitions, networks and other types of cooperative activity. The funding levels involved and the matching requirements often put them out of the range of most Montana organizations. However, there is nothing which prevents a number of organizations from pooling their resources and making application cooperatively. Montana is just beginning to see this type of funding strategy develop. A grant for general support recently submitted to the National Endowment for the Arts Expansion Arts Program by the Montana Institute of the Arts, the Montana Art Gallery Directors Association and the Montana Performing Arts Consortium is an example of such an effort.

During the 1980s and 1990s, cooperative activity, development of new funding sources and maximizing those currently available will give Montana's cultural sector a chance to consolidate and solidify its hard won gains. This is not only a practical necessity but an essential one if we hope to continue to make significant cultural impact in Montana during its second hundred years.

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INSTRUCTIONS

The **Montana Cultural Survey '82** is part of the Montana Arts Council ongoing process of information collection. Your help is essential to make it an accurate a picture of Montana's cultural community. Use the following definitions to help complete the survey form.

PLEASE FILL OUT THE ENCLOSED SURVEY FORM IF:

1. your organization is not listed in Montana's Cultural Organizations or if the address and contact person listed is incorrect.

2. you would like to update the figures which you initially provided.

3. you did not complete a survey form previously but would now like to participate.

CLIP THE ADDRESS LABEL AND ATTACH IT TO YOUR SURVEY FORM. MAIL TO:

Bill Pratt
Community Arts Coordinator
Montana Arts Council
1280 South 3rd West
Missoula, MT 59801

COMPLETING THE SURVEY FORM

PART A. MAILING LIST

1. ORGANIZATION NAME- Your organization's legal name. If it will not fit in the spaces allowed, please abbreviate

2. ADDRESS-your organization's permanent or current mailing address

3. TELEPHONE-your organization's permanent telephone number

4. COUNTY-the county in which your organization is based

5. CONTACT PERSON-the person to contact for additional information about your organization

6. CONTACT PERSON TITLE-the official title of "Contact Person"

7. ADDRESS-the contact person's address if your organization does not have a permanent address

8. TELEPHONE-the contact person's telephone number if your organization does not have a permanent phone numnber

9. STATUS-check the ONE item which BEST describes your legal status

   01 **Individual**-a person, not an organization, as mail recipient

   02 **Organization-Nonprofit**-not engaged in profit-making activities(i.e. no part of the income or assets benefits any director, officer or employee except as salary or reasonable compensation for services and travel expenses)

   03 **Organization-Profit**-engaged in profit-making activities(i.e.income or assets do benefit directors, officers, employees or stockholders)

   04 **Government-Federal**-mail recipient is a unit of the federal government

   05 **Government-State**-mail recipient is a unit of the state government

   06 **Government-Regional**-mail recipient is a unit of sub-state or regional government

   07 **Government-County**-mail recipient is a unit of county government

   08 **Government-Municipal**-mail recipient is a unit of municipal government

   09 **None of the above**-mail recipient is not any of the above categories

10. FUNCTION-check the ONE item which best describes your PRIMARY activity

11. INSTITUTION-check the ONE item which BEST describes your organization

12. DISCIPLINE-check the ONE item which best describes your area of work in the arts or humanities

13. CONTENT-mark those categories which further describe

your interest in the arts. This will help the Montana Arts Council send you appropriate information.

PART B. NEEDS ASSESSMENT

This information is needed to describe your organization's current and future financial needs and your sources of support. Information about specific organizations will be CONFIDENTIAL. Only aggregate data will be used in published reports In providing figures for the survey make a best estimate from your available records and projected growth and/or facility development. If you anticipate no program growth, add an inflationary rate of 6% to your 1983 figures to calculate your budget for 1984.

15. REVENUE-funds received by your organization during a fiscal year.

    a. **Earned Income**-revenue from ticket sales or subscriptions for attendance at events; fees earned through sale of services (workshops, gov't contracts for specific services, performance or residency fees or tuitions); and membership dues.

    b. **Private Contributions**-revenue from businesses, corporations, foundations or private individuals.

    c. **Government Grants/Support**-revenue from grants or annual support given by agencies of state.regional, federal, or local (city/county) government.

    d. **Other Revenue**-funds from any source not clearly fitting in the above categories, e.g. interest income from savings accounts, investments, bequests or endowments..

    e. **Total Revenue**-the total of revenue categories 15a-a5d.

16. EXPENDITURES - funds expended or obligated by your organization during a fiscal year.

    a. **Administration, Program, Acquisition**- funds spent for personnel,(administrative/artistic/technical or outside professional services),space rental, travel, marketing, equipment, other operating expenses and acquisitions of works of art, historical artifacts and documents.

    b. **Capital Expenditures**-expenses for purchase of

buildings or real estate, renovations or improvements involving structural change, payments for roads, drivemways or parking lots, permanent and generally immobile equipment, e.g. grid, central air conditioning and climate control, security systems and permanent historical exhibits.

You may want to use the following figures to estimate construction costs. Choose those most applicable to your organization or community. If you are at the early stages of facility planning, choose a mid-range figure.

Land Acquisition: $2.00 to $10.00/ sq. ft.

Construction Costs:

Renovated visual arts facilities	$30-$70 / sq. ft.
Renovated perform. arts facilities	$70-$100/ sq. ft.
New visual arts facilities	$70.00 / sq. ft.
New performing arts facilities	$90-$130/ sq. ft.

Project Costs: (architectural, engineering and legal fees, site improvement, offsite utility development and contingency fund)- 20%-30% of construction costs

Permanent Historical Exhibition Installation
$40-$100/ sq. ft of exhibit

c. **Total Expenditures**-the total of above expenditure categories

17. EVENTS SPONSORED - the total number of events your organization has sponsored in the 1981 fiscal year. An event is defined as the smallest unit of programming, e.g. a single showing of a film, an art exhibit, an oral history program, a performance of a play or musical presentation, etc.

18. AUDIENCE - approximately the total number of people who were served by the events your organization sponsored in the 1981 fiscal year.

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MONTANA ARTS COUNCIL

TED SCHWINDEN, GOVERNOR

1280 S. 3RD WEST

STATE OF MONTANA

(406) 543-8286

MISSOULA, MONTANA 59801

THE MONTANA CULTURAL SURVEY IS:

* AN INVENTORY OF THE NUMBER AND TYPES OF CULTURAL ORGANIZATIONS IN MONTANA IN COMPLIANCE WITH THE ARTS NATIONAL INFORMATION SYSTEMS PROJECT
* A DESCRIPTION OF THEIR EVENTS AND AND AUDIENCES
* A COMPILATION OF THEIR FINANCIAL VALUE AS A RESOURCE TO THE STATE
* A CONFIDENTIAL COMPILATION OF THE AMOUNT AND SOURCES OF INCOME AND CATEGORIES OF EXPENDITURES FOR CULTURAL ACTIVITIES
* A COUNTY BY COUNTY ASSESSMENT OF THE FUTURE FINANCIAL NEEDS AND SOURCES OF SUPPORT PROJECTED BY MONTANA'S CULTURAL ORGANIZATIONS
* AN INFORMATION BASE FROM WHICH TO ESTIMATE THE ECONOMIC IMPACT OF MONTANA'S CULTURAL COMMUNITY

SURVEY FORM

AN EQUAL OPPORTUNITY EMPLOYER

PART A.

1. ORGANIZATION NAME _____

2. ADDRESS _____

_____

CITY _____ STATE __ ZIP _____

3. TELEPHONE ___-___-____

4. COUNTY _____

5. CONTACT PERSON _____

6. CONTACT PERSON TITLE _____

7. ADDRESS _____

_____

CITY _____ STATE __ ZIP _____

8. TELEPHONE ___-___-____

9. STATUS (check one item)

[] 01 Individual
[] 02 Organization-Nonprofit
[] 03 Organization-Profit
[] 04 Organization-Federal
[] 05 Organization-State
[] 06 Organization-Regional
[] 07 Organization-County
[] 08 Organization-Municipal
[] 09 None of the above

10. FUNCTION (check one item)

[] 01 Artist/Producer
[] 02 Sponsor/Presentor
[] 03 Arts Service/Advocacy
[] 04 Humanities Service or Advocacy
[] 05 Education
[] 06 Funding
[] 07 Media
[] 08 Interested in the arts
[] 09 None of the above

11. INSTITUTION (check one item)

[] 01 Individual-Artist
[] 02 Individual-Non-artist
[] 03 Performing Group
[] 04 Performing Group-College/University
[] 05 Performing Group-Community
[] 06 Performing Group-Youth
[] 07 Performance Facility
[] 08 Museum-Art
[] 09 Museum-Other
[] 10 Gallery/Exhibition Space
[] 11 Cinema
[] 12 Small Press
[] 13 Literary Magazine
[] 14 Fair/Festival
[] 15 Arts Center
[] 16 Arts Council/Agency
[] 17 Arts Service Organization
[] 18 Union/Professional Association
[] 19 School-District

[ ] 20 School-Parent/Teacher
[ ] 21 School-Elementary
[ ] 22 School-Middle
[ ] 23 School-Secondary
[ ] 24 School-Vocational/ Technical
[ ] 25 School-Other
[ ] 26 College/University
[ ] 27 Library
[ ] 28 Historical Society/ Commission
[ ] 29 Humanities Council/Agency
[ ] 30 Foundation
[ ] 31 Corporation/Business
[ ] 32 Community Service Organ.
[ ] 33 Correctional Instit.
[ ] 34 Health Care Facility
[ ] 35 Religous Organization
[ ] 36 Senior Citizen Ctr.
[ ] 37 Parks and Recreation
[ ] 38 Government-Executive
[ ] 39 Government-Judical
[ ] 40 Government-Legislative (House)
[ ] 41 Government-Legislative (Senate)
[ ] 42 Media-Periodical
[ ] 43 Media-Daily Newspaper
[ ] 44 Media-Weekly Newspaper
[ ] 45 Media-Radio
[ ] 46 Media-Television
[ ] 47 None of the above

12. DISCIPLINE (Please rank in priority order a maximum of three disciplines which describe your organization's work. Enter the discipline code, i.e. 01, 04B, 12 etc., in the space next to the appropriate priority category.

Highest Priority _____

Second Priority _____

Third Priority _____

01 Dance
- A. ballet
- B. ethnic/folk/jazz
- C. modern

02 Music
- A. band
- B. chamber
- C. choral
- D. contemporary
- E. ethnic/folk
- F. jazz
- G. popular
- H. solo/recital
- I. symphonic

03 Opera

04 Theatre
- A. theatre-general
- B. mime
- C. musical theatre
- D. puppet
- E. theatre for young audiences

05 Visual Arts
- A. conceptual art
- B. graphics
- C. inter-media
- D. painting
- E. performance art
- F. sculpture

06 Architecture/Design

07 Crafts

08 Photography

09 Media Arts
- A. film
- B. radio
- C. television
- D. video

10 Literature

11 Community Arts

12 Folk Arts

13 Humanities/Historical

14 Multi/disciplinary

15 Non-arts/non-humanities

13. CONTENT (Choose as many of the folloing items which describe the kind of mail you'd like to receive from the Montana Arts Council.)

[ ]	01	Dance	[ ]	12	Folk Arts
[ ]	02	Music	[ ]	13	Humanities
[ ]	03	Opera	[ ]	14	Multi-disciplinary
[ ]	04	Theatre	[ ]	15	Arts Advocacy/ Service
[ ]	05	Visual Arts			
[ ]	06	Architecture/Design	[ ]	16	Arts Management
[ ]	07	Crafts	[ ]	17	Disabled/ Handicapped
[ ]	08	Photography			
[ ]	09	Media Arts	[ ]	18	Ethnic/Minority
[ ]	10	Literature	[ ]	19	Senior Citizens
[ ]	11	Community Arts			

PART B.

15. REVENUE (Indicate to your best ability current and future revenue. Profit making organizations should list "sales" under "Earned Income". All financial information is CONFIDENTIAL.

		FISCAL YEAR			
		1981	1982	1983	1984
a.	Earned Income	$			
b.	Private Contributions	$			
c.	Government Grants/Support				
	Federal	$			
	State/Regional	$			
	County	$			
	City	$			
d.	Other Revenue	$			
e.	TOTAL REVENUE	$			

16. EXPENDITURES (Indicate your current and future expenses.)

	FISCAL YEAR			
	1981	1982	1983	1984
a. Administration, Program and Acquisitions	$			
b. Capital Expenditures	$			
e. TOTAL EXPENDITURES	$			

17. EVENTS SPONSORED (Indicate the total events sponsored by your organization in the 1981 fiscal year.)

18. AUDIENCE (Estimate the total number of people served by the events your organization sponsored in the 1981 fiscal year.

1,250 copies of this publication were produced at a unit cost of $.58 per copy, for a total cost of $722.00 which includes $658.00 for printing and $64.00 for distribution.